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## Idaho Real Estate Commission

### Management Report on Internal Control

Issued: July 26, 2005  
Fiscal Year: 2002, 2003, and 2004



## EXECUTIVE SUMMARY LEGISLATIVE AUDITS

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### IDAHO REAL ESTATE COMMISSION

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**PURPOSE AND SCOPE.** In planning and making our audit of the statewide basic financial statements, we performed certain audit procedures to evaluate the effectiveness of the Idaho Real Estate Commission's internal control design and operation. Consequently, the limited scope of our procedures does not allow us to give an opinion on the Commission's internal control system. Accordingly, we do not express an opinion or ensure that all instances of internal control weaknesses were disclosed.

Our purpose was to indicate where internal controls could be strengthened to help ensure accurate financial statements and data. This evaluation, together with other evaluations and various audit procedures applied at other agencies, allows us to express an opinion on the statewide basic financial statements prepared by the State Controller's Office.

**CONCLUSION.** We noted no matters involving the internal control over the Commission's financial reporting or its operation that we considered to be material weaknesses. However, our consideration of internal controls would not necessarily disclose all matters considered to be a material weakness.

**FINDINGS AND RECOMMENDATIONS.** There are no findings and recommendations in this report, nor were there any findings and recommendations in the prior report.

**AGENCY RESPONSE.** The Commission has reviewed the report and is in general agreement with its contents.

**FINANCIAL SUMMARY.** The Commission is funded primarily from licensing fees paid by Idaho real estate professionals. There are no State General Funds appropriated to the Commission. Although an opinion is not given on the financial data presented in this report, one is given on all State funds in the statewide *Comprehensive Annual Financial Report* that includes the financial data presented here.

# IDAHO REAL ESTATE COMMISSION – FINANCIAL SUMMARY

<b>Regulatory Fund</b>	<b>Fiscal Year 2002</b>	<b>Fiscal Year 2003</b>	<b>Fiscal Year 2004</b>
Beginning Balance	\$874,999	\$1,056,015	\$1,464,810
Receipts			
Licenses	759,476	1,078,780	915,393
Examination and Regulatory Fees	105,129	111,551	112,284
Fines	82,640	79,535	169,628
Other	<u>278,237</u>	<u>83,466</u>	<u>39,581</u>
Total Available	\$2,100,481	\$2,409,347	\$2,701,696
Disbursements			
Personnel Costs	599,085	592,214	619,649
Operating Expenses	439,298	335,788	359,419
Capital Outlay	<u>6,083</u>	<u>16,535</u>	<u>5,231</u>
Total Disbursements	<u>\$1,044,466</u>	<u>\$944,537</u>	<u>\$984,299</u>
Ending Balance	<u>\$1,056,015</u>	<u>\$1,464,810</u>	<u>\$1,717,397</u>

## Fiscal Year 2002

<u>Fund</u>	<u>Beginning</u>	<u>Receipts</u>	<u>Transfers Out</u>	<u>Ending Cash Balance</u>
0349 Miscellaneous Revenue Fund	\$8,602	\$33,456	\$27,658	\$14,400
0517 Real Estate Recovery Fund	20,000	0	0	20,000

## Fiscal Year 2003

<u>Fund</u>	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Transfers Out</u>	<u>Ending Cash Balance</u>
0349 Miscellaneous Revenue Fund	\$14,400	\$32,572	\$37,128	\$9,844
0517 Real Estate Recovery Fund	20,000	0	0	20,000

## Fiscal Year 2004

<u>Fund</u>	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Transfers Out</u>	<u>Ending Cash Balance</u>
0349 Miscellaneous Revenue Fund	\$9,844	\$59,296	\$58,358	\$10,782
0517 Real Estate Recovery Fund	20,000	0	0	20,000

**ADDITIONAL INFORMATION.** The Commission's Miscellaneous Revenue Fund is used to collect fingerprinting fees that are later transferred to the Idaho State Police. The fund balance is due to the timing difference between when the fees are collected and when the billings are received from the Idaho State Police. The Commission's Real Estate Recovery Fund is used solely for the purpose of satisfying claims brought against licensees. This fund retains a balance of \$20,000, in accordance with Idaho Code, Section 54-2069. There were no receipts or disbursements in this fund in fiscal years 2002, 2003, or 2004.

**OTHER ISSUES.** We discussed other, less important issues which, if changed, would improve internal control, ensure compliance, or improve efficiency.

This report is intended solely for the information and use of the Idaho Real Estate Commission and the Idaho Legislature and is not intended to be, and should not be, used by anyone other than these specified parties.

We appreciate the cooperation and assistance given to us by the executive director, Donna Jones, and her staff.

**QUESTIONS CONCERNING THIS DOCUMENT SHOULD BE DIRECTED TO:**

Ray Ineck, CGFM, Supervisor, Legislative Audits

Eugene Sparks, CPA, CGFM, Managing Auditor

Report IC50104

<p>For a copy of the entire audit report , contact Legislative Services Office, Audit Division, State Capitol Building, 700 W. Jefferson Street, P.O. Box 83720, Boise, Idaho 83720-0054, or call 208-334-3540.</p>
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